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| <b>Agency:</b>                      | <b>107 Health Care Authority</b>      |
| <b>Decision Package Code/Title:</b> | <b>ML2-EA Improve MACSC Call Time</b> |
| <b>Budget Period:</b>               | <b>2015-17 Biennial Submittal</b>     |
| <b>Budget Level:</b>                | <b>ML2 – Maintenance Level 2</b>      |

## **Recommendation Summary Text**

The Health Care Authority (HCA) requests \$8,688,000 (\$4,518,000 GF-State) and 51.3 FTEs (alternative options for percentage of calls answered and FTE targets displayed under “Expenditure and Revenue Calculations and Assumptions”) in the 2015-17 biennium to address the increasing customer service phone call volumes due to Medicaid expansion and the restoration of the adult dental benefits. Funding is needed to cover the costs related to the higher volume of incoming calls to the toll-free line and the necessary translation fees.

## **Package Description**

Since the expansion of Medicaid and the restoration of the adult dental benefit in January 2014, the HCA has experienced an increase in the number of calls and email service requests from clients and providers. The Medical Assistance Customer Service Center (MACSC) unit is responsible for answering calls and written service requests promptly and providing resolution for clients and providers alike. Every client receives a medical card that displays the MACSC toll-free phone number as the point of contact for questions. Coverage of topics includes but is not limited to:

- Managed Care issues (including enrollment/disenrollment);
- Medicaid Benefit questions (including access and care continuity issues);
- Medicaid Provider One card requests;
- Provider payment;
- Billing reconciliation;
- Fee for service medical services;
- Dental services; and
- New program/initiative inquiries.

Beginning in March 2013, the MACSC unit utilized Lean concepts to improve call center performance, which included, but was not limited to:

- Call navigation
  - Call center greeting was modified to improve control of the call.
- Call transfers
  - Phone menu modified to make it more user-friendly to appropriately route calls;
  - Prescribers and pharmacies are now able to call pharmacy authorization directly.
- Training program
  - More staff members trained in more subject matters and also call techniques to enhance skills that are specific to working in a high volume call center.

In the seven months following the Lean improvements, the MACSC experienced the following results:

- Increased call answer response rates to 63 percent of all incoming calls, including more than a 70 percent response rate in a four month period;
- Decreased call wait times by improving staff control of calls;
- Decreased unnecessary call transfers which led to shorter call durations;

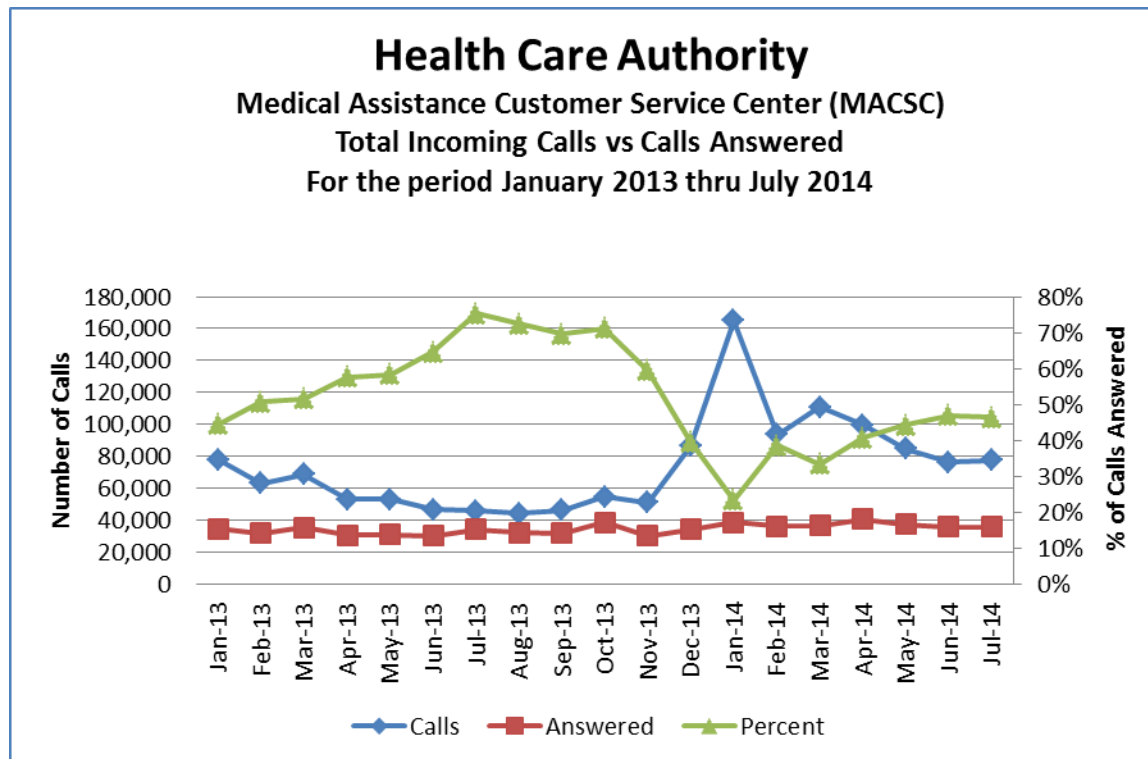
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- Improved client and provider e-mail request response rates to 2.5 days and 5.8 days, respectively;
- Improved external stakeholder satisfaction where client and provider expectations were elevated; and
- An internal culture of effective communication, transparency of goals and measurement of progress.

Since the implementation of the Affordable Care Act (ACA) in January 2014, the HCA has seen a considerable increase in the volume of phone calls, which caused the phone call response rate to drop to a low of 24 percent, client e-mail responses to take up to 20 days, and provider e-mail responses to take up to 25 days. If the volume of calls and questions does not decrease, the HCA will not be able to meet previously identified targets without additional resources.

This request provides the HCA with needed FTEs to support the increase in calls and requests for information from both clients and providers.

The HCA has developed alternative options to meet the percentage of calls answered targets with corresponding FTE requirements based on the utilized model. These options are displayed under the section titled, “Expenditure and Revenue Calculations and Assumptions”.



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Questions related to this request should be directed to Marcia Wendling at (360) 725-1836 or at [Marcia.Wendling@hca.wa.gov](mailto:Marcia.Wendling@hca.wa.gov).

## **Fiscal Detail/Objects of Expenditure**

|  | <b>FY 2016</b>      | <b>FY 2017</b>      | <b>Total</b>        |
|--|---------------------|---------------------|---------------------|
| <b>1. Operating Expenditures:</b>        |                     |                     |                     |
| Fund 001-1 GF-State                      | \$ 2,365,000        | \$ 2,153,000        | \$ 4,518,000        |
| Fund 001-C GF-Federal Medicaid Title XIX | \$ 2,183,000        | \$ 1,987,000        | \$ 4,170,000        |
| <b>Total</b>                             | <b>\$ 4,548,000</b> | <b>\$ 4,140,000</b> | <b>\$ 8,688,000</b> |
|  |                     |                     |                     |
|  | <b>FY 2016</b>      | <b>FY 2017</b>      | <b>Total</b>        |
| <b>2. Staffing:</b>                      |                     |                     |                     |
| Total FTEs                               | 51.3                | 51.3                | 51.3                |
|  |                     |                     |                     |
|  | <b>FY 2016</b>      | <b>FY 2017</b>      | <b>Total</b>        |
| <b>3. Objects of Expenditure:</b>        |                     |                     |                     |
| A - Salaries And Wages                   | \$ 2,293,000        | \$ 2,293,000        | \$ 4,586,000        |
| B - Employee Benefits                    | \$ 813,000          | \$ 813,000          | \$ 1,626,000        |
| C - Personal Service Contracts           | \$ -                | \$ -                | \$ -                |
| E - Goods And Services                   | \$ 1,034,000        | \$ 1,034,000        | \$ 2,068,000        |
| G - Travel                               | \$ -                | \$ -                | \$ -                |
| J - Capital Outlays                      | \$ 408,000          | \$ -                | \$ 408,000          |
| N - Grants, Benefits & Client Services   | \$ -                | \$ -                | \$ -                |
| Other (specify) -                        | \$ -                | \$ -                | \$ -                |
| <b>Total</b>                             | <b>\$ 4,548,000</b> | <b>\$ 4,140,000</b> | <b>\$ 8,688,000</b> |
|  |                     |                     |                     |
|  | <b>FY 2016</b>      | <b>FY 2017</b>      | <b>Total</b>        |
| <b>4. Revenue:</b>                       |                     |                     |                     |
| Fund 001-C GF-Federal Medicaid Title XIX | \$ 2,183,000        | \$ 1,987,000        | \$ 4,170,000        |
| <b>Total</b>                             | <b>\$ 2,183,000</b> | <b>\$ 1,987,000</b> | <b>\$ 4,170,000</b> |

## **Narrative Justification and Impact Statement**

### **What specific performance outcomes does the agency expect?**

The requested FTEs will increase the call center capacity and minimize the number of callers who are unable to get through for assistance. Through the funding and FTEs represented in this request, the HCA expects to achieve up to a 70 percent call response rate.

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## **Performance Measure Detail**

### **Activity Inventory**

H002 HCA Direct Operations

### **Is this decision package essential to implement a strategy identified in the agency's strategic plan?**

The mission of the HCA is to provide high quality health care for the state's most vulnerable residents.

This request will allow the HCA to:

1. Improve the services available under Medicaid in order to better serve our customers, the most vulnerable populations in Washington State;
2. Improve our policies and processes, working with our provider partners and community organizations to improve outcomes, reform our approaches to standardizing care and making quality improvements; and
3. Improve responsiveness to clients, providers and external stakeholders regarding questions related to the implementation of Medicaid expansion and the restoration of Adult Dental program. Medicaid expansion supports the new marketplace for low-income and cost-effective health care coverage.

### **Does this decision package provide essential support to one or more of the Governor's Results Washington priorities?**

This request directly supports Governor Inslee's Results Washington – Goal 4: Healthy and Safe Communities, and Goal 5: Effective, Efficient and Accountable Government. The public has expectations that government will be responsive to their calls and questions. Funding this request provides resources for the HCA to continue to meet that expectation answering calls in a timely manner and that the HCA is committed to provider customer satisfaction and confidence.

### **What are the other important connections or impacts related to this proposal?**

This request will have a positive impact on stakeholders and allows the state to successfully improve the customer's perspective regarding Medicaid Expansion. The goal of Medicaid expansion and Medicaid in general is to provide qualified clients with access to medical care.

The number of calls and complaints to all areas – including legislative and executive level complaints – will be mitigated if the HCA is able to timely respond to external stakeholders (provider, clients, community organizations, advocates etc.) regarding benefits, assisting them with access to medical care, and partnering with them to resolve issues.

### **What alternatives were explored by the agency, and why was this alternative chosen?**

During the previous year, the HCA used Lean principles to improve customer service without the need for additional staff. However, due to the significant increase in call volumes, the efficiencies gained from Lean principles were inadequate to bring the call answer rate up to the desired level. The HCA will continue to use the principles learned from lean to look for other areas for improvement.

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**What are the consequences of adopting this package?**

The MACSC section will be able to improve call answered rates and provide stakeholders with the assistance they need on a timelier basis.

This proposal will also minimize the number legislative and executive level complaints and enhances the perceived value of Medicaid expansion by providing timely responses to external stakeholders (provider, clients, community organizations, advocates etc.) regarding benefits, access to medical care, and issue resolution.

**What is the relationship, if any, to the state capital budget?**

None

**What changes would be required to existing statutes, rules, or contracts, in to implement the change?**

None

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## **Expenditure and Revenue Calculations and Assumptions**

### *Revenue Calculations and Assumptions:*

Revenue is based on anticipated federal matching for the identified work.

### *Expenditure Calculations and Assumptions:*

Cost identified are for staff, increased toll-free phone line charges, increased interpretation requests, workstation establishment, and estimates for building rent, computer leasing, and other goods and services based on an average per FTE.

The following chart shows the level of expected customer service performance based on the level of resource availability. This request is based off of Option C.

|  | CY 2013 | CY 2014 | Option A | Option B | Option C |
|--|---------|---------|----------|----------|----------|
| Avg # of calls per month                   | 57,699  | 101,234 | 101,234  | 101,234  | 101,234  |
| Avg # of calls answered                    | 33,108  | 37,485  | 50,617   | 60,740   | 70,864   |
| % of call answered                         | 57%     | 37%     | 50%      | 60%      | 70%      |
| FTEs                                       | 56.67   | 59.19   |          |          |          |
| Calls answered/FTE/month                   | 584     | 633     | 633      | 633      | 633      |
| Estimated Total FTEs to meet Option:       |         |         | 79.9     | 95.9     | 111.9    |
| Authorized Level of FTEs:                  |         |         | 68.0     | 68.0     | 68.0     |
| Additional Staff Need:                     |         |         |          |          |          |
| MAS3 (workers needed)                      |         |         | 11.9     | 27.9     | 43.9     |
| MAS4 (worker to lead 12:1)                 |         |         | 1.0      | 2.3      | 3.7      |
| MAS5 (worker plus lead to supervisor 13:1) |         |         | 1.0      | 2.3      | 3.7      |
| Requested number of FTEs                   |         |         | 13.9     | 32.5     | 51.3     |

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| Total Objects                          |                  |                  |
|--|------------------|------------------|
|  | FY 16            | FY 17            |
| A - Salaries And Wages                 | 2,293,000        | 2,293,000        |
| B - Employee Benefits                  | 813,000          | 813,000          |
| C - Personal Service Contracts         | 0                | 0                |
| E - Goods And Services                 | 1,034,000        | 1,034,000        |
| G - Travel                             | 0                | 0                |
| J - Capital Outlays                    | 408,000          | 0                |
| N - Grants, Benefits & Client Services | 0                | 0                |
| <b>Total</b>                           | <b>4,548,000</b> | <b>4,140,000</b> |

| Funding Distribution                |       |                  |                  |
|-------------------------------------|-------|------------------|------------------|
|                                     |       | FY 16            | FY 17            |
| Distribution Methodology:           |       |                  |                  |
| 001-1 GF-State                      | 52.0% | 2,365,000        | 2,153,000        |
| 001-C GF-Federal Medicaid Title XIX | 48.0% | 2,183,000        | 1,987,000        |
| <b>Total</b>                        |       | <b>4,548,000</b> | <b>4,140,000</b> |

**Which costs, savings, and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?**

*Distinction between one-time and ongoing costs:*

Costs to establish a workstation for staff (Object J) is considered one-time. All other costs are ongoing and will continue into the future.

*Budget impacts in future biennia:*

Administrative costs would be on-going.

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